

MARK J. BENNETT, #2672  
Attorney General of Hawaii

KRISTIE CRUZ CHANG, #6979  
Deputy Attorney General  
Department of the Attorney  
General, State of Hawaii  
Hale Auhau Building  
425 Queen Street  
Honolulu, Hawaii 96813  
Telephone: (808) 586-1470  
Email: Kristie.C.Chang@hawaii.gov

Attorneys for Defendant  
DIRECTOR OF TAXATION,  
STATE OF HAWAII

IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF HAWAII

UNITED STATES OF AMERICA,  
Plaintiff,  
vs.  
MICHAEL WILLIAM FLAHERTY,  
MARGARET RONA LEE FLAHERTY,  
BANK OF HAWAII, THE STATE OF  
HAWAII, DEPARTMENT OF TAXATION,  
Defendants.

Case No. CV08-00493 (SOM/KSC)  
DEFENDANT STATE OF HAWAII,  
DEPARTMENT OF TAXATION'S  
INITIAL DISCLOSURES PURSUANT TO  
FED. R. CIV. PROC. RULE 26(a);  
CERTIFICATE OF SERVICE  
TRIAL DATE: February 23, 2010

321343.1

**DEFENDANT STATE OF HAWAII, DEPARTMENT OF TAXATION'S  
INITIAL DISCLOSURES PURSUANT TO FED. R. CIV. PROC. RULE 26(a)**

COMES NOW, Defendant Director of Taxation, State of Hawaii,  
by and through his attorney KRISTIE CRUZ CHANG, Deputy Attorney  
General, and pursuant to Rule 26 (a) Federal Rules of Civil  
Procedure ("FRCP") and Local Rule 26.1 (a) Rules of the United

States District Court for the District of Hawai`i ("Local Rules"), hereby submit his initial disclosures as follows:

**I. PERSONS WITH PERSONAL KNOWLEDGE**

The following identified persons have knowledge of discoverable information relevant to the claims of Defendant Director.

1. Plaintiff United States of America c/o Jeremy Hendon, Esq. U.S. Department of Justice, P.O. Box 683, Ben Franklin Station, Washington DC, 20044-0683, Telephone: (202) 353-2466.
2. Defendant Michael William Flaherty, P.O. Box 1308, Kapaaau, Hawaii 96755, Telephone: (808) 889-1004.
3. Defendant Margaret Rona Lee Flaherty, P.O. Box 1308, Kapaaau, Hawaii 96755, Telephone: (808) 889-1004.
4. Defendant Bank of Hawaii c/o Caroline S. Otani, Esq. Rush Moore LLP, 737 Bishop Street, Suite 2400, Honolulu, Hawaii 96813 Telephone (808) 521-0432.
5. Laura Takahashi, Delinquent Tax Collection Assistant II (DTCA II), c/o Kristie Cruz Chang, Deputy Attorney General, 425 Queen Street, Honolulu, Hawaii 96813, Telephone: (808) 586-1470.
6. Alan Nishigaya, Delinquent Tax Collection Assistant III (DTCA III), c/o Kristie Cruz Chang, Deputy Attorney General, 425 Queen Street, Honolulu, Hawaii 96813, Telephone: (808) 586-1470.
7. Lynne Kaneta, Tax Collector, c/o Kristie Cruz Chang, Deputy Attorney General, 425 Queen Street, Honolulu, Hawaii 96813, Telephone: (808) 586-1470.
8. Jerry Ebisu, Document Processing Operation Manager, c/o Kristie Cruz Chang, Deputy Attorney General, 425 Queen Street, Honolulu, Hawaii 96813, Telephone: (808) 586-1470.

9. Defendant Director reserves the right to identify other persons who may have knowledge of discoverable information relevant to the claims and the defenses of the parties.

***II. DOCUMENTS, DATA COMPILATIONS, TANGIBLE THINGS***

Defendant Director is in possession, custody or control of all documents, data compilations and tangible things to support his defenses with respect to taxes owed to the Department of Taxation, State of Hawaii. Defendant Director is prohibited from disclosing confidential taxpayer returns and return information under Hawaii Revised Statute §§ 235-116 and 237-34.

Categories of documents, data compilations and tangible things include tax returns, assessments, correspondence with Defendant Michael William Flaherty, audit files, and delinquent tax notices and calculations.

***III. DAMAGES***

Defendant Director of Taxation is not claiming any damages; therefore, there is no computation of any category of damages available for inspection or copying.

***IV. INSURANCE***

Defendant is the Director of a State of Hawaii department, a self-insured entity. There is no insurance agreement that is available for inspection or copying.

DATED: Honolulu, Hawaii, February 11, 2009.

/s/ Kristie Cruz Chang

---

KRISTIE CRUZ CHANG  
Deputy Attorney General

Attorney for Department of  
Taxation, State of Hawaii

IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF HAWAII

UNITED STATES OF AMERICA,

Plaintiff,

vs.

MICHAEL WILLIAM FLAHERTY,  
MARGARET RONA LEE FLAHERTY,  
BANK OF HAWAII, THE STATE OF  
HAWAII, DEPARTMENT OF TAXATION,

Defendants.

Case No. CV08-00493 (SOM/KSC)

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on February 11, 2009, true and correct copy of **DEFENDANT STATE OF HAWAII, DEPARTMENT OF TAXATION'S INITIAL DISCLOSURES PURSUANT TO FED. R. CIV. PROC. RULE 26(a)** was duly served upon the following named parties in the manner listed below):

Mailed      CM/ECF

JEREMY N. HENDON, ESQ.  
Trial Attorney, Tax Division  
U.S. Department of Justice  
P.O. Box 683, Ben Franklin Station  
Washington DC 20044-0683  
Attorney for Plaintiff

X

MICHAEL WILLIAM FLAHERTY  
P.O. Box 1308  
Kapaau, Hawaii 96755  
Defendant

X

MARGARET RONA LEE FLAHERTY  
P.O. Box 1308  
Kapaau, Hawaii 96755  
Defendant

X

CAROLINE S. OTANI, ESQ.  
737 Bishop Street, Suite 2400  
Honolulu, Hawaii 96813  
Attorney for Defendant Bank of Hawaii

X

DATED: Honolulu, Hawaii, February 11, 2009.

/s/ Kristie Cruz Chang

---

KRISTIE CRUZ CHANG  
Deputy Attorney General  
Attorney for Defendant  
DIRECTOR OF TAXATION,  
STATE OF HAWAII